

# News

from the Illinois Commerce Commission

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## **ICC ORDERS REFUNDS FOR PEOPLES GAS, NORTH SHORE CUSTOMERS**

### **Refunds to Begin in a Month**

The Illinois Commerce Commission today ordered that refunds will be credited to customers of Peoples Gas and North Shore Gas beginning with bills mailed out in 30 days. Of the total \$100 million in refunds, approximately \$4 million will be returned to suburban Chicago customers of North Shore Gas, and \$96 million to Peoples' customers.

The vote was unanimous. Commissioner Erin O'Connell-Diaz abstained.

Commission Chairman Charles Box said that the refund mechanism "reflects the level of harm to each company's customers."

"Some have suggested that the settlement of these cases is a slam dunk, but my review shows otherwise," Box said. "I believe we must find imprudence. There is substantial evidence that the company entered into contracts with affiliates and increased its revenue, without conferring any benefit to customers."

The refunds are warranted, the Commission determined, because of the companies' imprudent purchase of natural gas on behalf of customers in 2001. Evidence suggested Peoples Gas Company overcharged its customers in the winter of 2001.

The refund would go to approximately 1 million customers of the Peoples Gas/North Shore companies. Individual refunds will be calculated by the companies. Business and industrial customers also will receive a credit.

Earlier this month the ICC approved a settlement, developed by Peoples Gas in conjunction with the Attorney General and representatives of the city of Chicago, that provided for a \$100 million refund. The settlement served to resolve fuel purchase overcharges in 2001-2004. Additional money would be paid by the company to the city of Chicago and the Attorney General for use in conservation and weatherization programs for low income households.

Peoples Gas companies also said they would reconnect approximately 12,000 customers who were disconnected for non-payment and stop collection activities on those accounts.

The Commission's order requires a quarterly report to be filed on the progress of reconnections.

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